

# West Coast Air Cargo Trends



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# KPA

## An Introduction

- Offices in Seattle, Oakland & Shanghai
- Specialization in airport/air cargo issues
- Strategic business plans
- Market implementation
- Facility planning



Previous Clients: Anchorage Airport, LAWA, Huntsville, Port of San Antonio, Rickenbacker, Shanghai Pudong, Incheon, others

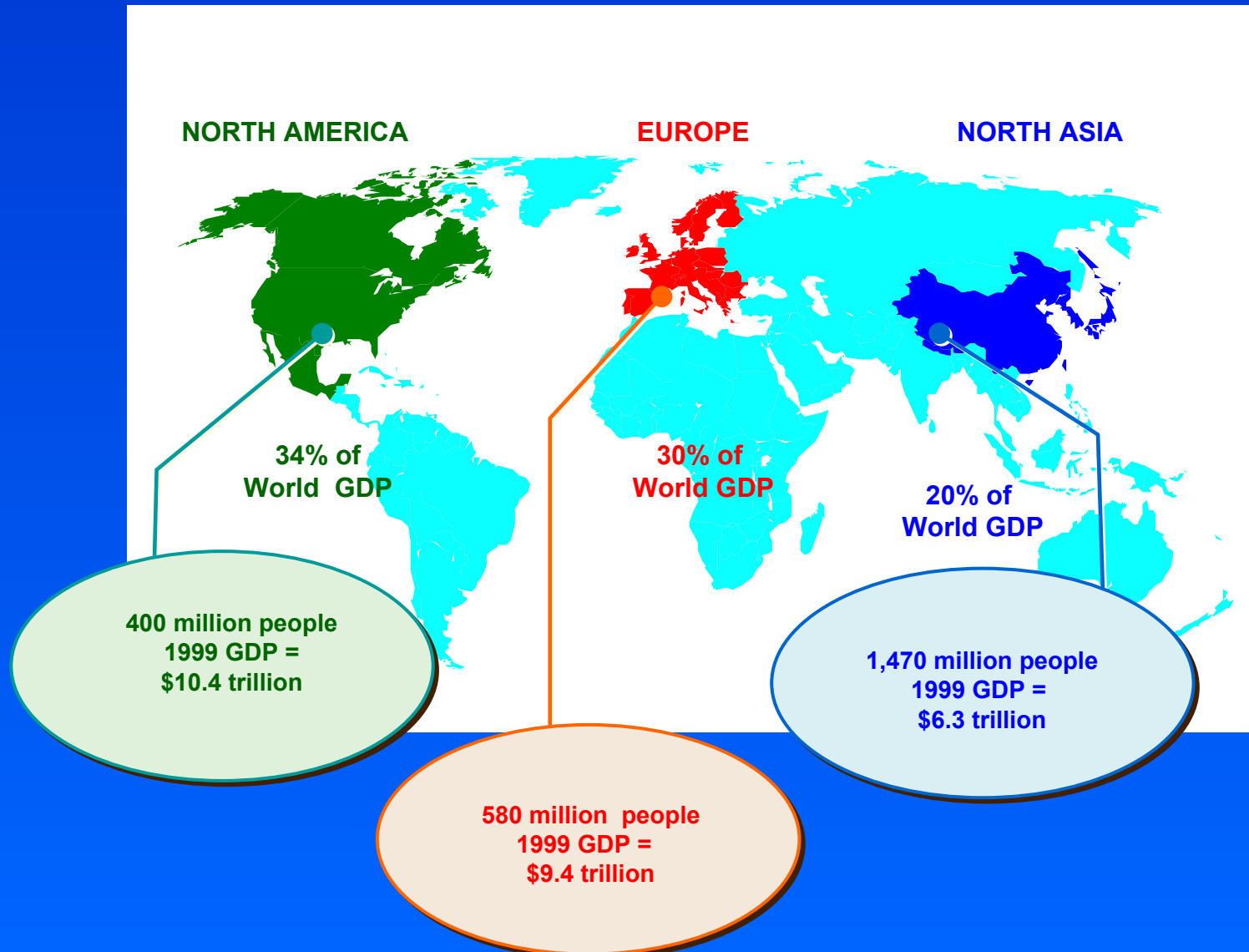
# Air Freight Means Business

- Air cargo accounts for less than 1% of the world's freight movement by weight, but 27% of the value
- \$75 billion air freight & express market
- \$30 billion domestic market
- Freight traffic growing about 6% per year worldwide
- Market size doubles every ten years
- Half the world's air freight moves to/from or within the US, although Asia will become dominant by 2020

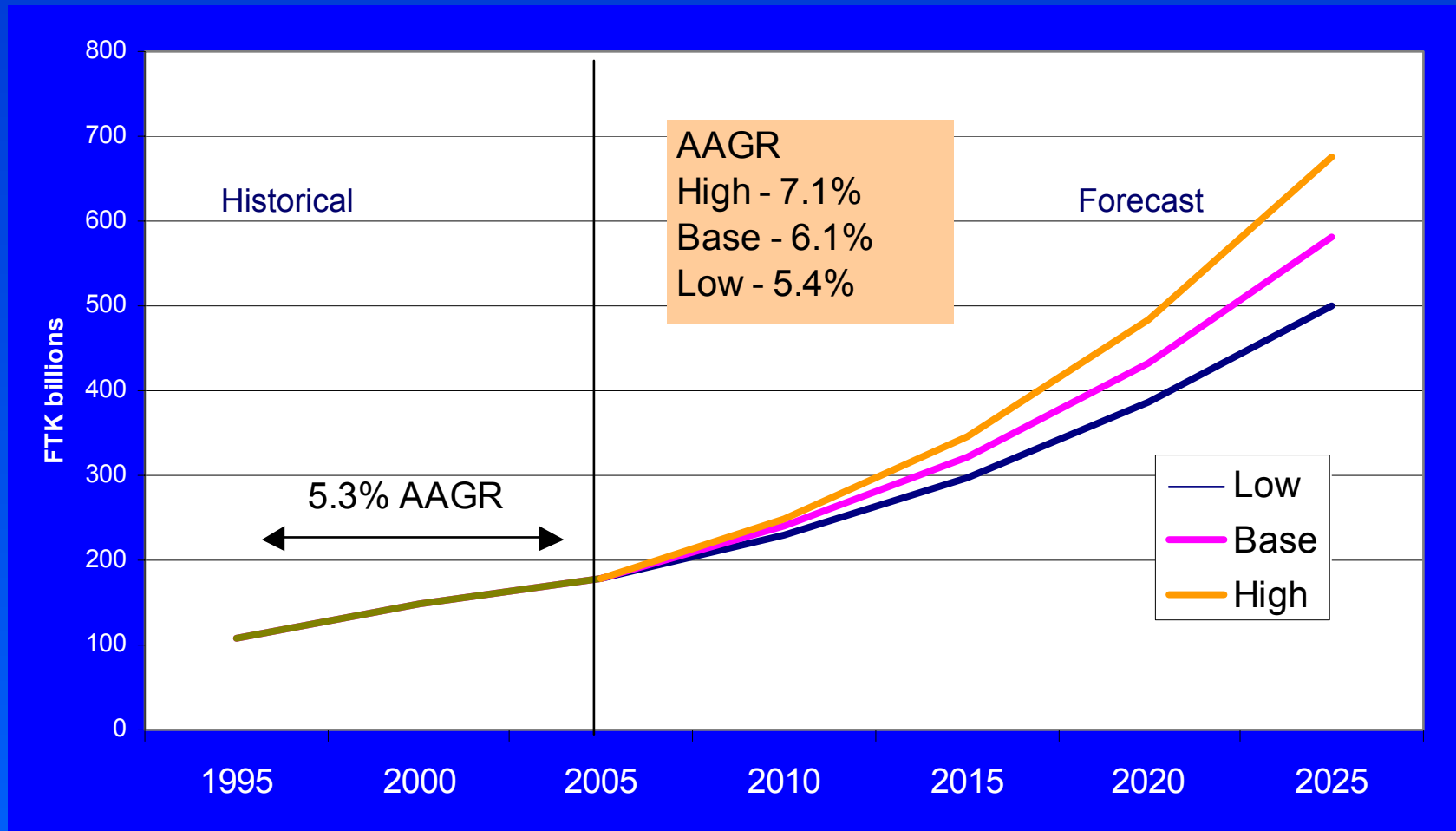
# The Air Cargo Industry

- About half the worldwide air freight moves in bellies of passenger carriers
- US domestic market is dominated by the integrator/express companies, while the international market is dominated by combination carriers and freight forwarders
- Cargo share of total airline revenues
  - 2%-5% for domestic majors (excluding all-cargo carriers)
  - 10%-15% for European majors
  - 20%-50% for Asian majors

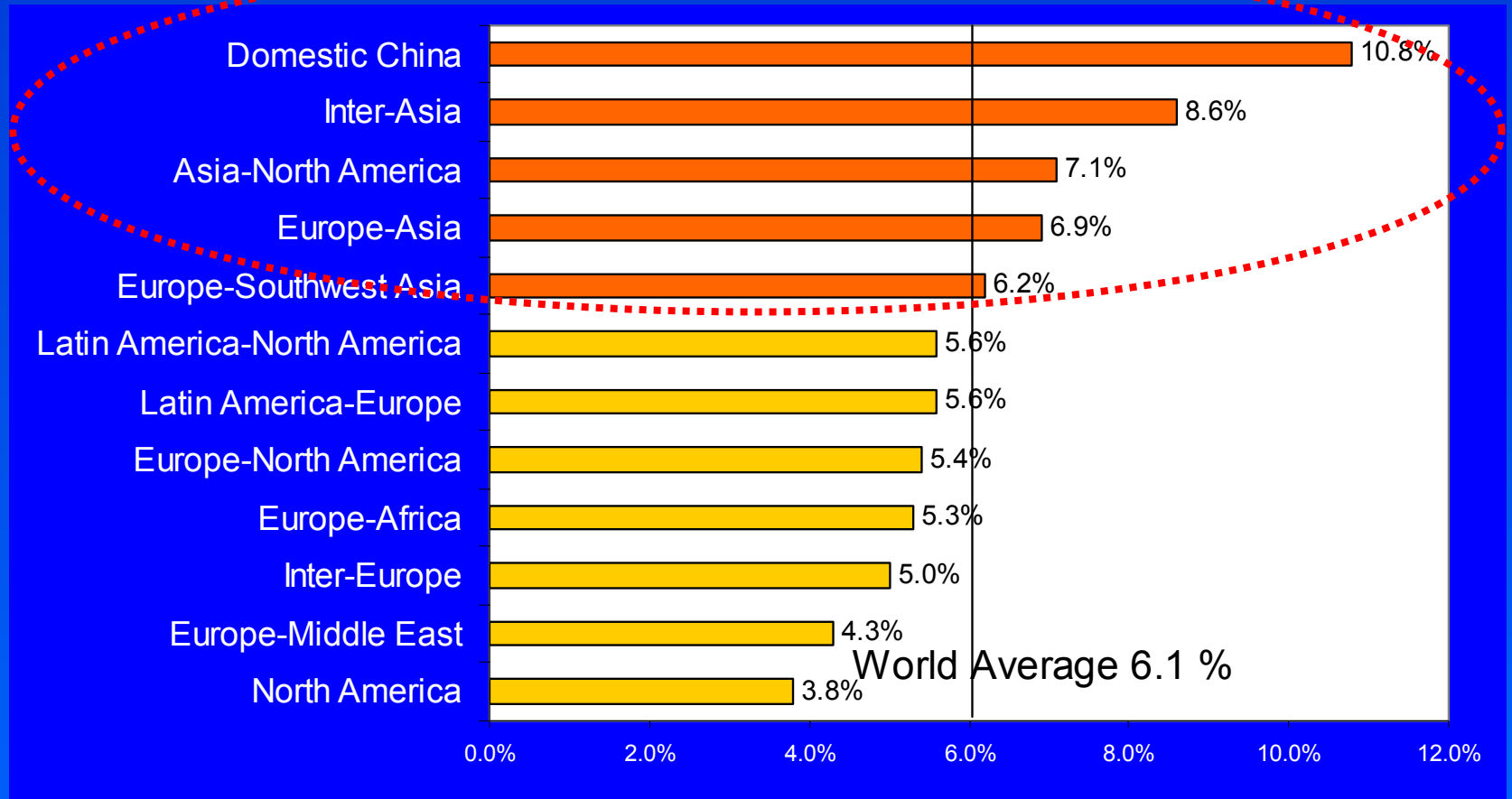
# World Air Trade Markets



# World Air Cargo Will Triple Over the Next Two Decades (Boeing)

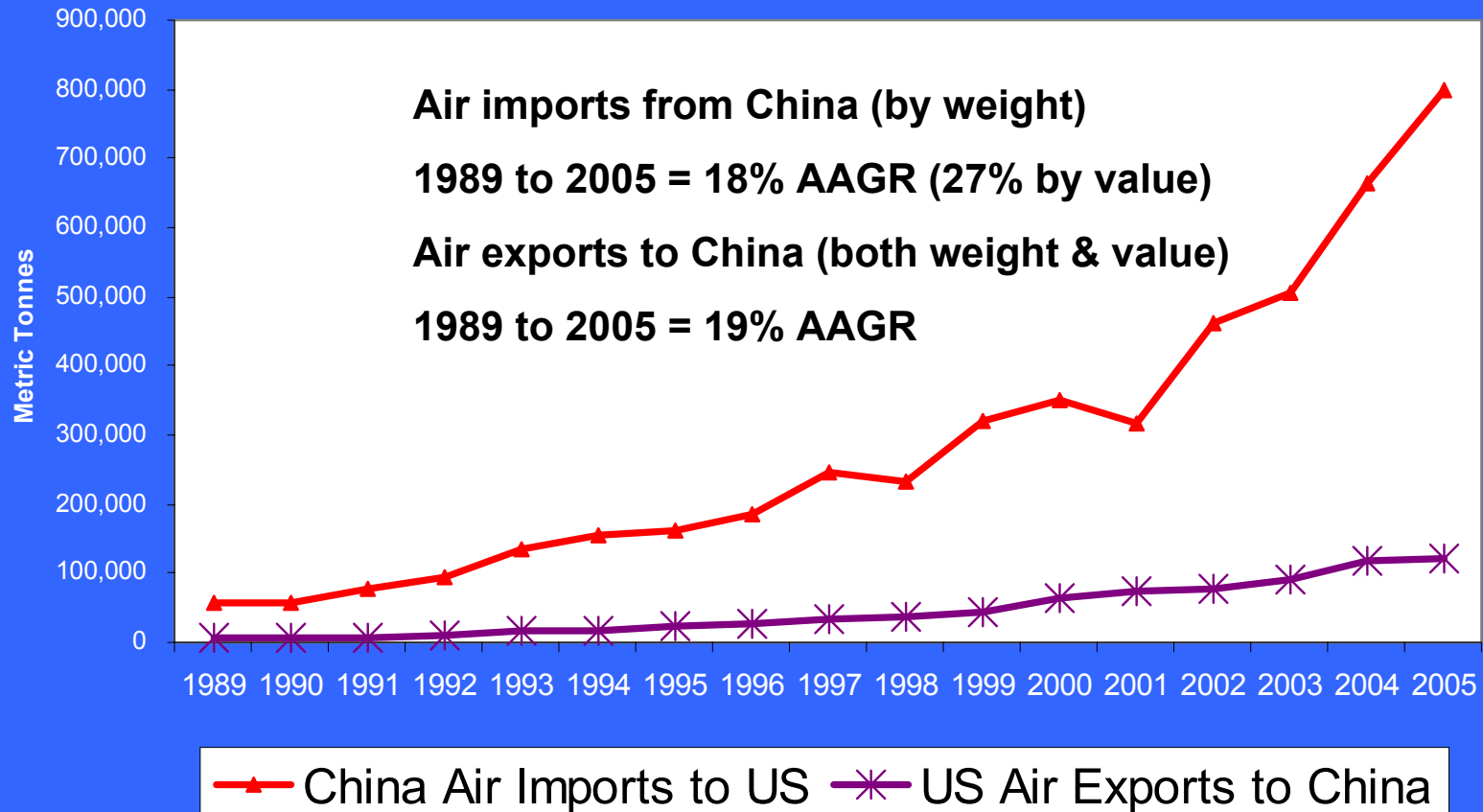


# Asian Markets Will Continue to Lead Growth



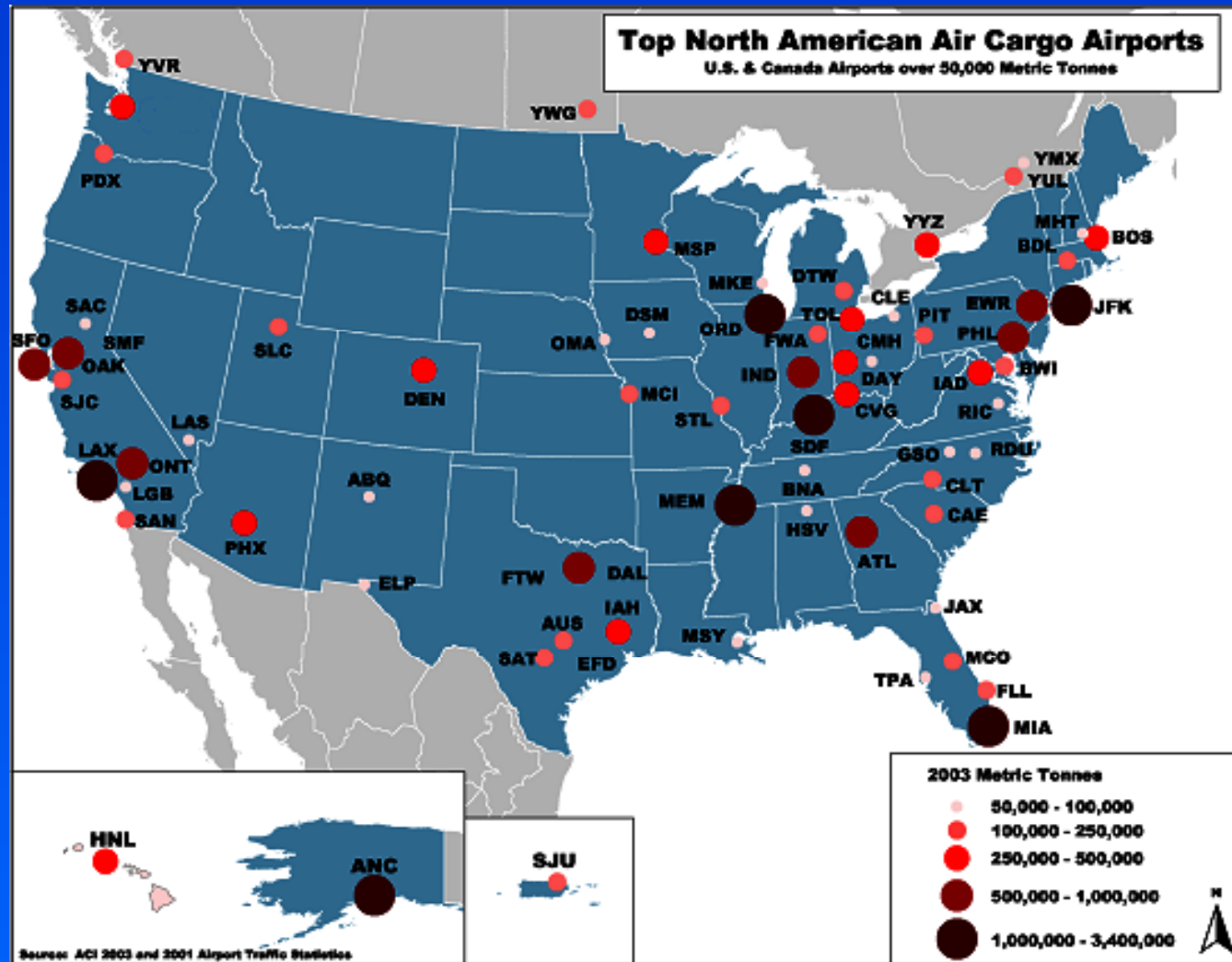
Source: Boeing

# China-US Fastest Growing US Air Cargo Market



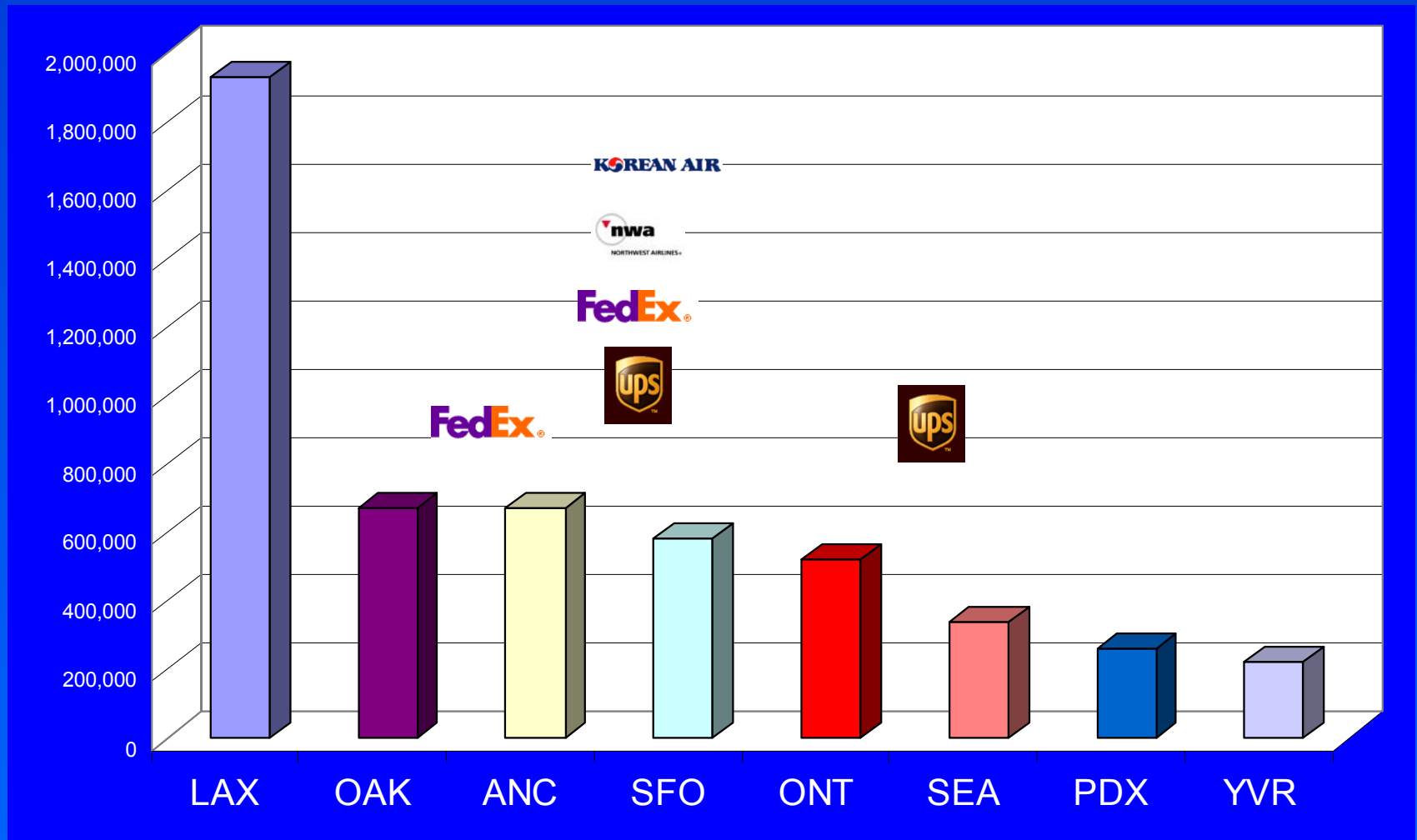


# North American Air Cargo Airports

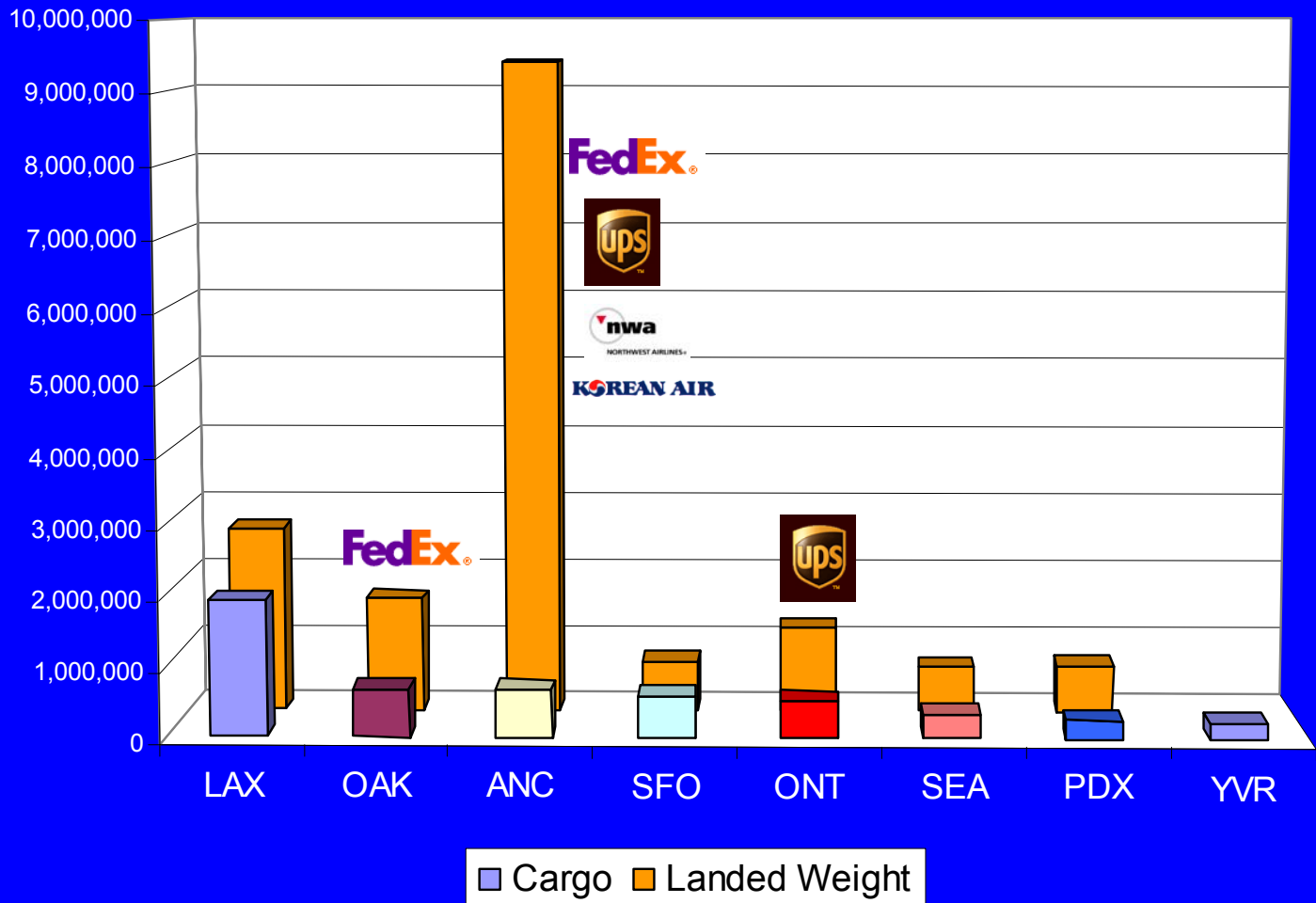


# West Coast Cargo Market

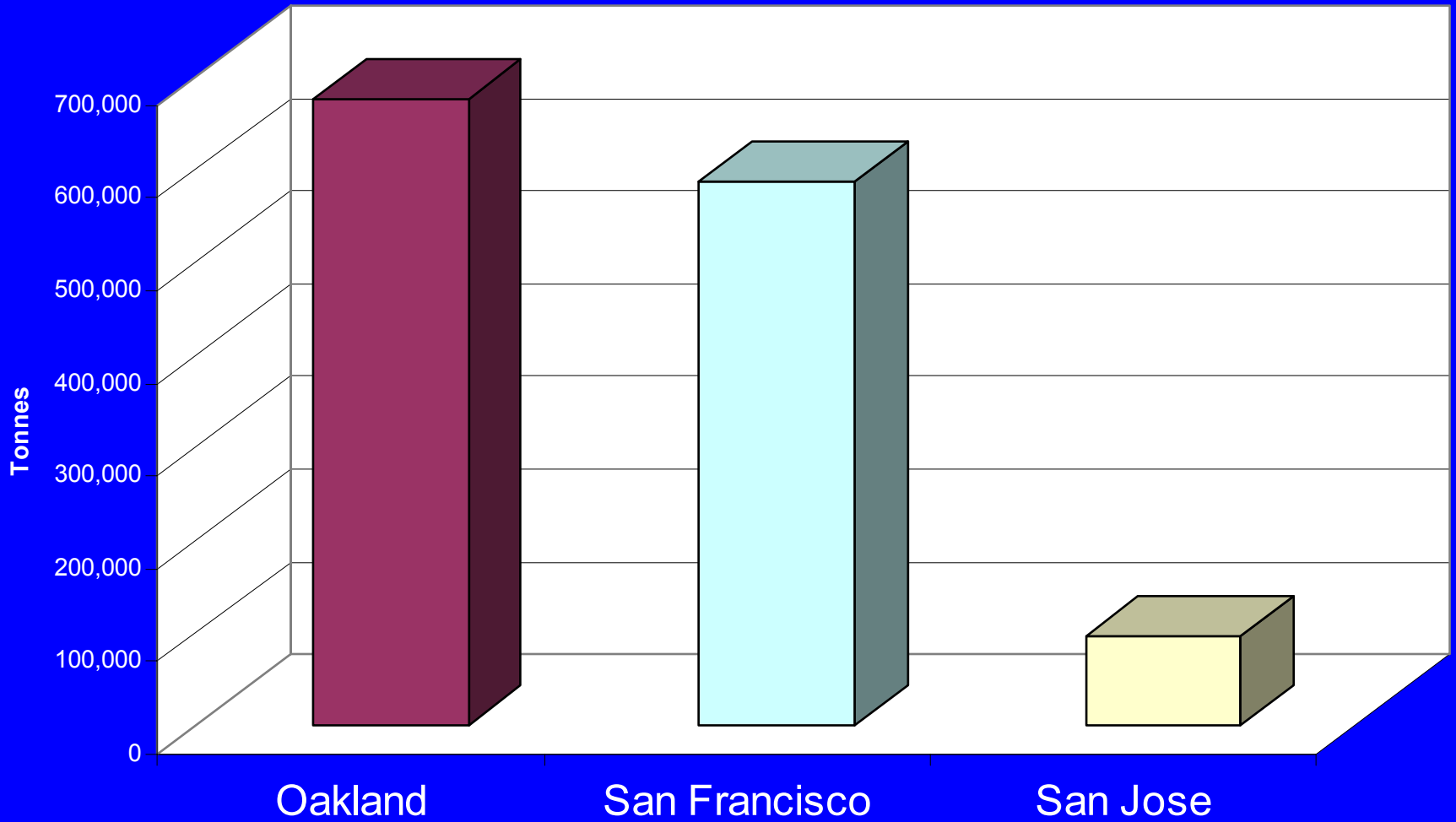
Tons of Air Cargo 2005



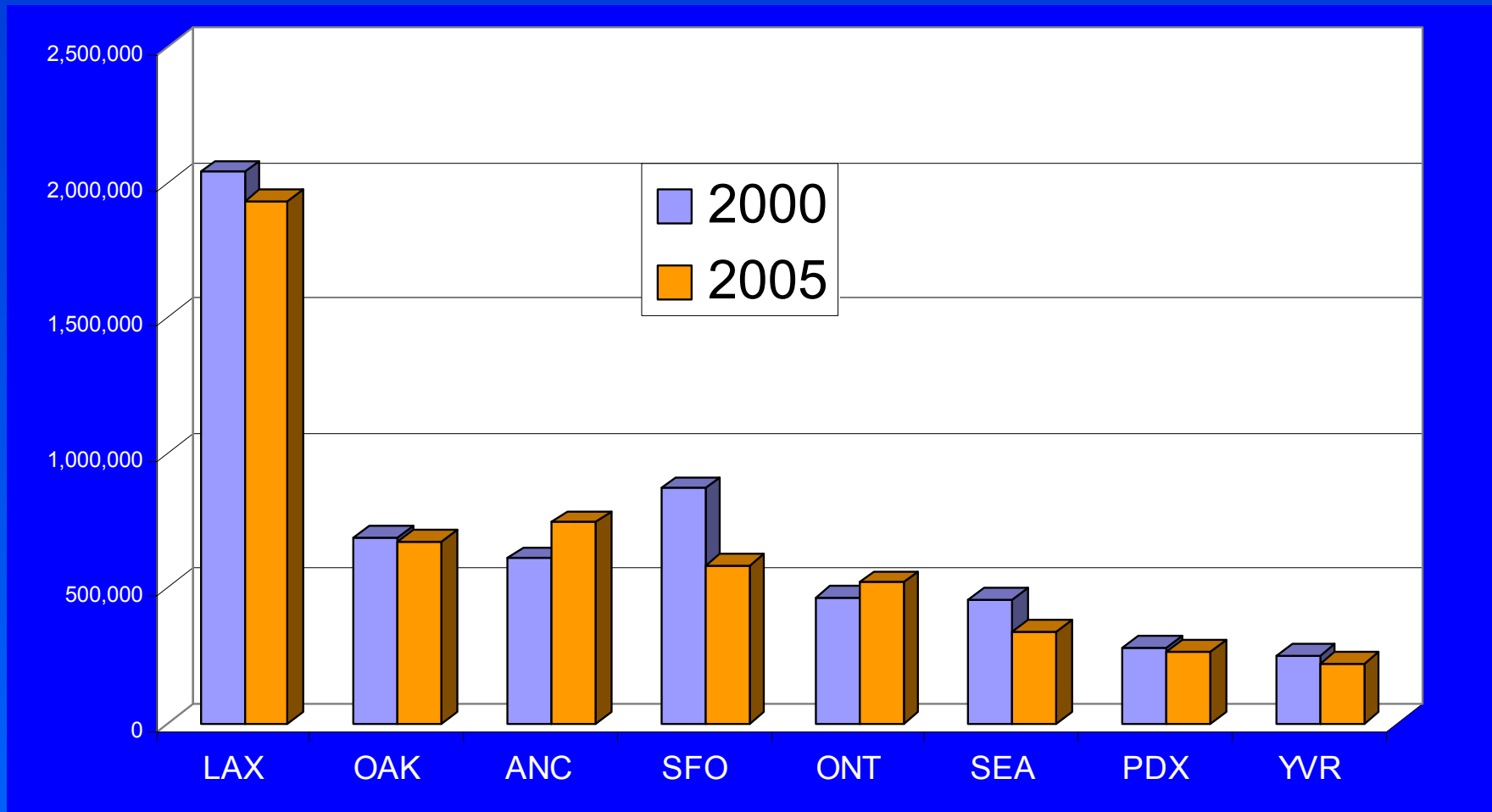
# West Coast Freighter Market (2005)



# Bay Area Air Cargo - 2005



# Lack of Market Recovery from 2001



# Factors Influencing Airline/Airport Choice

<b>Market Area</b>	<b>Location</b>	<b>Infrastructure</b>
<b>Primary &amp; Secondary</b>	<b>Fit with Existing Network</b>	<b>Runway Length/ Redundancy</b>
<b>Connectivity / Interlining</b>	<b>Close to Customers</b>	<b>Aircraft Parking</b>
<b>Freight Forwarders</b>	<b>Local Surface Access</b>	<b>Landside Facilities / Services</b>
<b>Distribution Services</b>	<b>Interstate Highway Access</b>	<b>Interstate Highway access</b>

*Thank You*



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